ASX: AEF

Tuesday, 10 November 2026

Australian Ethical 2026 AGM Speeches

ASX Announcement

The Chair and Managing Director's speeches are attached.

This announcement is authorised by Karen Hughes, Company Secretary.

About Australian Ethical

Australian Ethical is one of Australia's leading ethical investment managers. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and seek to deliver long-term, risk-adjusted returns. Investments are guided by the Australian Ethical Charter, which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has $14.5 billion in funds under management across managed funds and superannuation. Visit: www.australianethical.com.au

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Chair AGM Speech, Nov 2026

I've had the privilege of being part of Australian Ethical for a significant part of the journey we've just seen.

And perhaps unsurprisingly, given my recent announcement[1] that I will retire as Chair next year, this 40-year milestone has given me cause to reflect on just how far Australian Ethical has come.

What strikes me most is not simply how much has changed and how much the organisation has grown.

BUT how much has stayed the same.

The belief at the heart of Australian Ethical was distinctive 40 years ago, has endured through changing markets, changing governments and changing attitudes to responsible investment in the past four decades.

And today, Australian Ethical is a considerably larger and more capable organisation, but we are still guided by the same Ethical Charter[2] that has underpinned its investment approach from the beginning.

This continuity is one of our greatest strengths.

From the Board's perspective, FY26 was another important year in the business' evolution.

We delivered strong financial results for shareholders despite challenging market conditions, while continuing to invest in the capability and infrastructure needed to support the next stage of the company's growth.

Funds under management finished the year at a record $14.5 billion, as shown on the slide.

For FY26 our underlying profit after tax increased 15 per cent to $27.3 million, and net profit attributable to shareholders increased 29 per cent to $25.7 million. The Board declared total dividends of 18 cents per share for the year, also up 29 per cent.

But the significance of FY26 goes beyond the headline financial results.

Over recent years we have deliberately been building a business that is broader, more resilient and more capable of delivering at greater scale.

This year we completed the transition of our superannuation members to a single administration platform, further developed our private markets capability and continued the transformation of our investment platform[3].

As Australian Ethical grows, we must continue to raise the standards we set for ourselves.

We continued to strengthen governance and risk management across the Group – a key priority for the Board. We have established a formal program to enhance governance, risk management and oversight across the business, and address APRA's licence condition[4].

We also continued our Board renewal to ensure the right balance of skills, experience and independence for the future[5].

As announced to the market recently, we have commenced a competitive tender for our external audit services in the coming months[6].

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[1] https://www.australianethical.com.au/globalassets/pdf-files/asx-announcement/2026/20260924-aef-steve-gibbs-to-retire-as-chair-in-2027.pdf
[2] https://www.australianethical.com.au/why-ae/ethical-charter/

[3] Page 30, Australian Ethical 2026 Annual Report
[4] Page 31, Australian Ethical 2026 Annual Report
[5] Page 32, Australian Ethical 2026 Annual Report
[6] https://asx.api.cmfyapp.com/asx-research/1.0/file/2924-03154834-2A1706807&v=undefined

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KPMG has served as our external auditor over recent years, and I'd like to take this opportunity to thank the KPMG team, and particularly Partner Jessica Davis who is with us today, for their professionalism, support and service to Australian Ethical. KPMG will complete the current financial year audit and a new audit firm will be appointed for the FY28 year.

We will keep shareholders informed of the outcome of the tender at the appropriate time.

As shareholders will know, I announced last month that I intend to retire from the Board by the end of June next year, after 14 years as Chair. I'll remain in the role over the coming months to support an orderly transition as the Board renewal process continues.

It has been an enormous privilege to serve as Chair of this organisation.

When I became Chair, Australian Ethical managed around $700 million.

As we enter our fifth decade, we have a stronger, more distinctive brand, greater scale, broader investment capability, a stronger operating platform and a growing, more diverse market. And we remain guided by an investment philosophy and purpose that has been remarkably consistent through four decades of change.

And I have great confidence in the organisation I will eventually hand over to my successor.

None of this happens without our people. On behalf of the Board, I'd particularly like to thank John McMurdo, the executive team and everyone across Australian Ethical for their commitment and contribution during the year.

And I would very much like to thank our shareholders, members and investors for the trust you continue to place in Australian Ethical.

There will be an appropriate time next year for me to say a more complete farewell. Today, I simply want to say that it remains a privilege to Chair this organisation.

Managing Director & CEO AGM Speech, Nov 2026

Today, more than 130,000 Australians[7] invest with us through our Managed Funds and Super products. Our Ethical Charter continues to guide how we invest, giving us a clear and differentiated position in the market and a strong platform from which to meet continuing demand for values-aligned investing at greater scale.

So this morning I want to focus on what comes next: why our approach continues to matter, how we're putting it into practice, how the business performed in FY26 and where we see the opportunity ahead.

While the world has changed enormously since Australian Ethical was established, many of the challenges that motivated our founders remain and, in some cases, they have become more urgent. Certainly, climate change is no longer a distant or abstract risk.

In 2026, we have seen devastating floods in Nepal following the collapse of a Himalayan glacier, record-breaking heatwaves across Europe, Asia and North America, and widespread wildfires from Canada to Indonesia.

The United Nations Environment Program has warned that global temperatures are likely to exceed 1.5 degrees of warming within the next few years [8]. Each additional fraction of a degree increases the risks to ecosystems, economies, food security, water supplies and human health.

At the same time, biodiversity loss continues to threaten the natural systems that support agriculture, water, supply chains and economic resilience[9] .

Conflict, displacement, inequality and threats to human rights continue to affect millions of people[10].

These risks are interconnected - environmental damage can compound inequality and instability, with the consequences often falling hardest on the most vulnerable communities.

This year's oil crisis has demonstrated another dimension of that risk. Dependence on fossil fuels can turn conflict and supply disruption into higher costs, market volatility and national vulnerability.

It has also strengthened the case for renewables, storage and electrification as foundations of a cleaner and more secure energy system.

For Australian Ethical and our community of likeminded investors, these risks and opportunities compel us to continue to invest in what matters.

Consistent with our Ethical Charter and investment approach, we seek to direct capital towards businesses and projects helping to build a lower-carbon, more resilient and inclusive economy.

But this year, our expanded private markets capability enabled us to take another big leap forward, launching two new products for values-aligned middle market investors seeking measurable, demonstrable impact.

Launched in March, with a $125m cornerstone investment from the Clean Energy Finance Corporation, the Growth Opportunities Fund is built around five key themes

- decarbonisation,

[7] Represents both member and investor numbers across superannuation and managed fund products

[8] https://www.unep.org/en/news-and-stories/press-release/unep-world-set-cross-15degc-global-warming-can-still-limit-adapt-and

[9] https://www.weforum.org/stories/nature-and-biodiversity/financial-leadership-nature-sustainable-growth

[10] https://www.unocha.org/publications/report/world/mr-tom-fletcher-under-secretary-general-humanitarian-affairs-and-emergency-relief-coordinator-transcript-press-conference-launch-global-humanitarian-overview-2025

- digitalisation,
- urbanisation,
- the circular economy and
- changing demographics.

The Fund uses impact measurement approaches to quantify the outcomes it supports, with initial investments spanning recycling infrastructure, renewable energy, battery storage and aged care.

Our Balanced Income Fund, launched in September, was developed in collaboration with Australian Impact Investments. It includes a dedicated impact allocation and like the Growth Opportunities Fund, will report on the positive, measurable social and environmental outcomes it delivers. And we have secured a cornerstone investment from Reichstein Foundation into this fund.

The second way we act is through stewardship.

As investors, we have both an opportunity and a responsibility to use our influence to encourage stronger practices and greater accountability.

During the year, we undertook more than 230[11] stewardship engagements on issues affecting people, animals and the planet.

At NAB, our engagement contributed to stronger restrictions on financing fossil fuel expansion and greater transparency around client assessments.

At Woolworths, we continued to press for stronger action on deforestation and sustainable sourcing.

And we have used shareholder resolutions and public advocacy to encourage action on climate risk and corporate accountability, including at Macquarie, QBE and Westpac.

Our multi-year stewardship strategy focused on fossil fuel financing was recognised in New York in September by the Principles for Responsible Investment as winners of their Global Award for System Stewardship[12].

That recognition reflects the sustained work of our stewardship team and the role investors can play in addressing systemic risks such as climate change.

The third way we act is through the Australian Ethical Foundation.

In FY26, we allocated a record $3.4 million to the Foundation. Since 2000, more than $16 million has been allocated to support its grant-making work[13].

The Foundation is increasingly focused on systemic solutions, and one example is its support for the Martuwarra Fitzroy River Council in the Kimberley.

This project brings together Indigenous knowledge and scientific expertise to identify practical opportunities for climate adaptation, landscape restoration and sustainable economic development — showing how place-based, community-led solutions can help address the interconnected challenges of climate change, biodiversity loss and social inequity.

[11] We count one engagement where we engaged with a target (company, organisation, government) on a topic or series of topics. There may be multiple activities within that engagement. For example, our engagement with Westpac is counted as one engagement which included meetings, emails and co-filing a shareholder resolution. We may count two engagements with a company if there were separate activities on entirely separate topics. For example, we had one engagement with NAB in relation to its fossil fuel exposure and a separate engagement with NAB in relation to its deforestation financing.
[12] https://www.unpri.org/case-study?id=australian-ethical-investment-restricting-finance-to-unsustainable-fossil-fuel
[13] includes grants to not-for-profits made by AEI prior to the Foundation's inception

Together, these examples show how we put our purpose into practice: through the capital we allocate, the influence we exercise and the organisations we support.

Delivering real-world impact does not lessen our responsibility to deliver strong investment outcomes for our members, investors and shareholders.

FY26 was a challenging year for ethical investing and for investment markets generally.

Our fixed-income, private-markets and international shares portfolios delivered above-benchmark and very good absolute returns, while our Australian-equities portfolios were more exposed to market conditions shaped by conflict in the Middle East.

Our ethical approach means performance can vary when the strongest market returns are concentrated outside our ethical investment universe.

But that approach can also create opportunities when high-quality, future-focused sectors become undervalued.

Encouragingly, reporting season and the opening months of the new financial year have provided some early signs of improvement.

Healthcare companies, including CSL and Cochlear, have begun to recover as investors refocus on underlying business quality.

Investors have benefited from corporate activity with a number of takeover offers at a significant premium to the prevailing share price.

And in technology, SiteMinder continues to demonstrate the value of a deeply embedded software platform despite uncertainty around artificial intelligence.

These early movements do not guarantee future returns. We are careful not to read too much into a short period of performance.

But they suggest that, in some areas, the gap between market sentiment and business fundamentals may be starting to close.

That reinforces our approach: look through short-term market noise, remain disciplined on valuation and focus on the long-term value a business can create.

Pleasingly, we continue to pass APRA’s performance test for all strategies, and we expect to continue to.

Successful long-term investing requires patience and conviction. That has not changed.

Turning to the performance of our business, the team has delivered another strong result, with new record results across many metrics as Steve has shared.

Further strong organic flows contributed to our funds under management and profit increases.

Shareholder feedback reflected the strong contribution to profit from both revenue growth and disciplined cost control, underscored by a material improvement in our underlying cost to income ratio, which dropped to below 70% for the first time.

That the board was able to declare a record total annual dividend of 18 cents per share, up 29 per cent on the previous year, was very gratifying and clearly a very strong outcome for shareholders.

As most of you are aware, this is a not a "flash in the pan result".

This is the result of strategic and well directed investment in the growth engines of the business, which in turn has reaped very attractive multi-year compound results for the organisation and for our shareholders, across all key financial metrics including FUM growth, revenue capture, profitability and dividend growth.

All of which were delivered while we continued to invest in our strategy and for the future, to grow a more diversified, resilient and capable business, one able to deliver ethical investment solutions at an even greater scale.

In superannuation, we completed the transition of all members to the GROW administration platform.

This has reduced complexity and delivered cost savings. It has also supported improvements to our digital marketing, website and will enable the delivery of a member App in 2027.

Those improvements contributed to new member joins increasing by 20 per cent in the second half of the year compared with the first.

We continued to broaden our investment capability across fixed income and private markets.

This provides greater diversification across our superannuation investment options and supports the development of new products, as you've seen in the last few months, and will see more of, for investors looking for values-aligned opportunities beyond publicly listed equities outside of super.

We also continued to strengthen the foundations of the business.

We have leant into and will continue to invest prudently in Governance, cybersecurity, risk management and the work required to address the APRA licence conditions.

This work has been and is fundamental to operating safely and reliably as we continue to grow.

Underpinning all of this is an amazing team.

I very firmly believe our long-term success depends on a capable, purpose-led culture that attracts, develops and retains talented people.

Our employee engagement is in the top quartile in Australian financial services, and I am so very proud of our people, their commitment to our strategy and the care they show our members, investors and one another.

I'm personally always more interested in what customers and the market say about us than what we say about ourselves.

This year, our super and pension products, customer service, stewardship and ethical investment approach all received external recognition.

Our super and pension products were recognised in Money magazine's Best of the Best Awards.

The work of our customer service team was recognised by Roy Morgan and Finder.

In September, our stewardship work received global recognition as I've mentioned.

And in August the integrity of our ethical investment approach was recognised by the Australian Financial Review when Australian Ethical was named winner of the AFR Sustainability, not just for ethical investing, but in the category of Banking, Insurance, Superannuation and Financial Services. An amazing accolade.

We do not set out to win awards. But this breadth of recognition is a fabulous endorsement of the strength of our brand, the quality of our customer proposition and the work of our people.

And so, as I think about our outlook – we continue to feel very positively about our opportunity set, both in the short and the longer-term, of course subject to market conditions. Demand for values-aligned investing remains because the underlying environmental and social challenges are real, regardless of changing political rhetoric.

Australian Ethical is well positioned to meet that demand.

We have a trusted and distinctive brand, two clear growth engines, broader investment capability and an operating platform designed to support greater scale.

So, regardless of short-term investment market conditions, which of course may continue to affect us this year or any year, we do expect the underlying momentum of our business over recent years to continue.

Our focus is clear.

We will continue to improve our proposition for super members.

To extend our reach beyond super.

We will continue to strengthen our governance and operating resilience.

And we will maintain discipline in how we invest in the business and manage our costs.

By doing that, we can create further value for shareholders while increasing the influence we can have through our investments, stewardship and Foundation.

To our members, investors, shareholders, partners and employees, thank you VERY much, for your continued support.

Our founders understood that money has the power to shape the future.

After 40 years, the demand for that idea remains strong, and so does our commitment to delivering it.

Thank you again for joining us this morning.